



STATE OF WASHINGTON

# AUDIT RESOLUTION REPORT

December 2003

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**THIS REPORT SUMMARIZES** the status of corrective actions taken by state agencies, in conjunction with the Office of Financial Management (OFM), to resolve exceptions to audits.

Washington State laws require audits of every state agency. As a part of the audit process, exceptions to specific expenditures or financial practices become a matter of public record. OFM is required to ensure that corrective actions to address exceptions are taken, and to annually report on the status of these audit resolutions.

This annual report is required by RCW 43.88.160, which states “The director of financial management shall annually report by December 31<sup>st</sup> the status of audit resolution to the appropriate committees of the legislature, the state auditor, and the attorney general. The director of financial management shall include in the audit resolution report actions taken as a result of an audit including, but not limited to, types of personnel actions, costs and types of litigation, and value of recouped goods or services.”

This report summarizes the status of resolution of audit exceptions related to regularly scheduled agency audits, which were reported in the Statewide Accountability Report; special audits; and the federally mandated Statewide Single Audit. These audit reports were issued between December 1, 2002, and November 30, 2003, and covered periods ending within Fiscal Year 1999 through Fiscal Year 2003. The audit reports issued during that period included 31 exceptions, one of which related to fraud.

Agencies are required to submit corrective action plans to OFM within 30 days of issuance of audit reports in which exceptions are taken. The OFM participates in the corrective action process, which is subject to a follow-up review during the subsequent audit.

Audit exceptions are presented in this report in two schedules:

**Schedule I** - Status of Audit Resolution

**Schedule II** – Status of Resolution of Reported Frauds

**Schedule I** presents all exceptions included in audit reports and the status of corrective action taken by agencies. **Schedule II** is limited to those exceptions related to fraud and the resulting actions that were taken.

